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February 19, 2005

**VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Room TW-B204  
Washington, DC 20554

**Re: Federal-State Joint Board on Universal Service**  
**CC Docket No. 96-45**

Dear Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we hereby provide you with notice of an oral *ex parte* presentation in connection with the above-captioned proceeding.

On Tuesday, February 15, 2005, undersigned counsel, on behalf of U.S. Cellular Corporation ("USCC"), met with Christopher Libertelli and Aaron Goldberger to discuss the Commission's upcoming action in the above-referenced docket.

We discussed USCC's success in bringing health/safety and economic development benefits to rural areas with high-cost support, and reaffirmed the need for wireless carriers to continue to receive high-cost support under competitively neutral universal service rules.

We also affirmed positions taken in the comments filed by USCC in this proceeding, including the fact that the Commission's Virginia Cellular model for designating new ETCs set an appropriate bar for entry that is being followed by many states, including annual reporting requirements for CETCs to demonstrate how they are using high-cost support to benefit rural areas.

We discussed the shortcomings in the current system for reviewing the use of support by rural ILECs that are being exposed by the various LNP waiver requests being filed across the country, allegedly because ILECs have antiquated equipment that cannot provide inter-modal

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LNP to wireless carriers. Some of the petitions reveal that the companies have old switches that cannot provide their own customers with features such as call waiting, caller ID, or voice mail, which begs the question – in an era of flat to declining access line growth, where are support funds going if not to modernize existing networks? We urged the Commission to develop appropriate reporting requirements for *all* ETCs so that the Commission can satisfy itself that all high-cost support is being used lawfully.

We also discussed how the current ‘per line’ methodology for providing support to competitive ETCs controls fund growth and limits the ability of multiple competitors to enter high-cost areas. We also demonstrated that accurately targeting support to high-cost areas protects rural ILECs from subsidized competition in their low-cost areas.

Finally, we urged the Commission to affirm that the Communications Act and Commission precedent make very clear that the preemption contained in Section 332 of the Act applies even when a CMRS carrier is an ETC.

A copy of our presentation slides and related documents are enclosed for the record.

If you have any questions or require any additional information, please contact undersigned counsel directly.

Sincerely,

A handwritten signature in dark ink, appearing to read "David A. LaFuria".

David A. LaFuria

Enclosures

cc: Christopher Libertelli, Esq.  
Aaron Goldberger, Esq.